



City of Hartford

**Mayor Pedro E. Segarra
Recommended Budget for
Fiscal Year 2012-2013**



Mayor Segarra's Vision

Connecticut's Capital City strives to be a national role model for creating jobs, ensuring safe neighborhoods, continuing to raise academic standards and expectations, and stimulating neighborhood economic development with an emphasis on small and large business development.



Hartford's Mission

The mission of the City of Hartford is to be fiscally accountable and achieve results that advance the City's interest. It is essential to safeguard the health, cleanliness and safety of the community in ways that reflect the wants and needs of the people who live, work and visit Hartford. We must create jobs and improve the quality of education for Hartford's children and adults. We must also pursue opportunities to accelerate and expand the economic vitality of Hartford's business community and neighborhoods.



Mayor's Four City-Wide Goals

- **Goal 1:** Each City office and department makes professional and fiscally responsible decisions based on data and delivers quality customer service that advances the City's well-being.
- **Goal 2:** Improve the quality of life in our neighborhoods and community by focusing on infrastructure, eradicating blight and strengthening public safety to attain a livable and sustainable City.
- **Goal 3:** Align community-wide educational resources by integrating higher education, senior services, library, recreation, and early childhood operations.
- **Goal 4:** A livable, sustainable and vibrant City with programs and partnerships that harness existing assets, support the business environment and maximize job retention and growth.



FY 12-13 Budget Process

Budget Workshops	Feb 8-Mar 28
Recommended Budget	Apr 16
Public Hearing	Apr 25
Dep't Budget Hearings	Apr 30-May 11
Budget Due	May 21
Budget Adoption	May 31

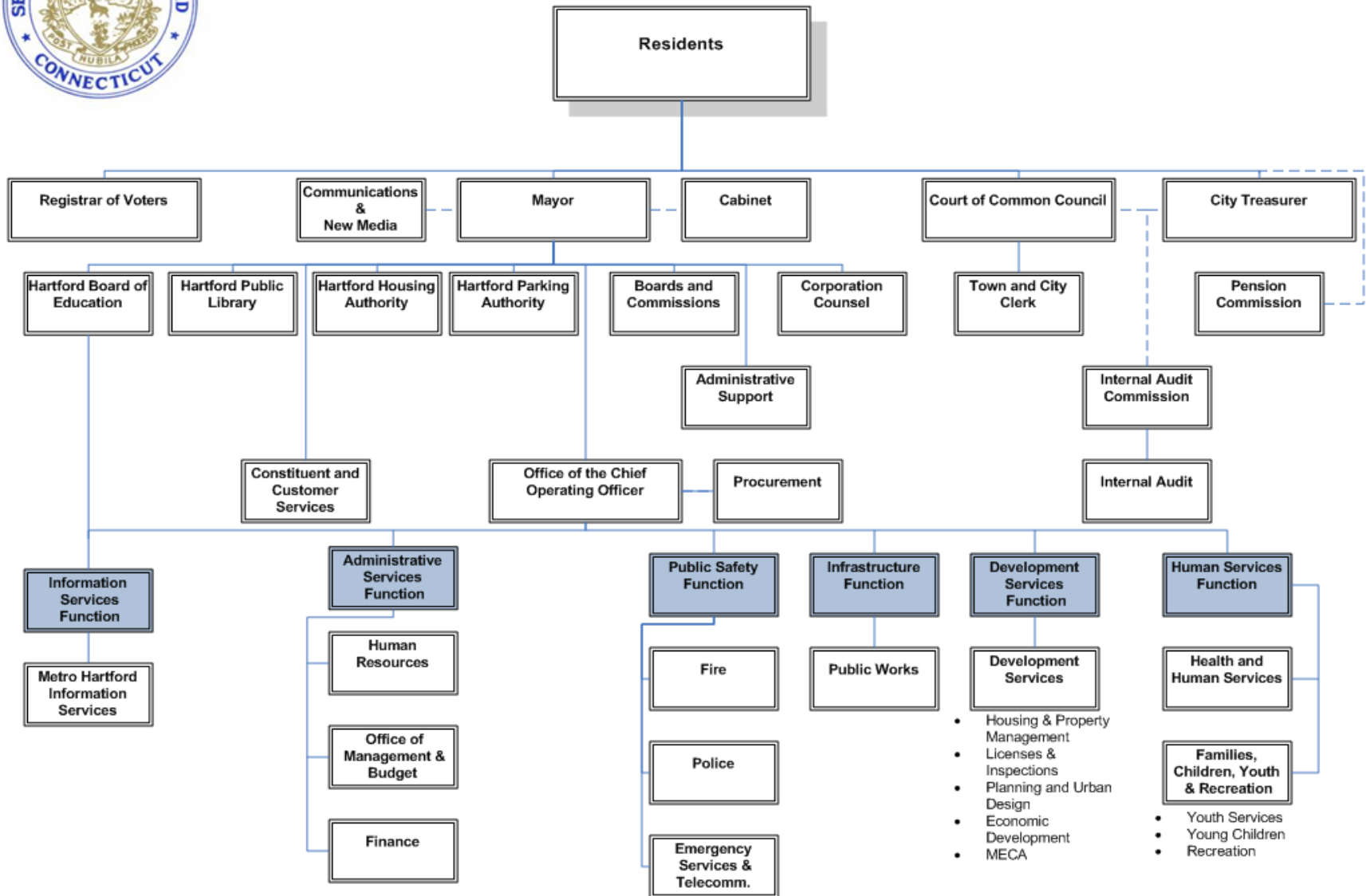


Dep't Budget Hearings

- Apr 30th - May 2nd Finance Overview
- May 3rd Public Safety
- May 7th Children, Communities & Neighborhoods
- May 8th Board of Education
- May 10th HPL, MHIS, HPA
- May 11th City Administration



City of Hartford Organizational Chart



FY12-13 Budget Workshops

- I. **Purpose:** To delve into issues, generate ideas and determine priorities
- II. **Who:** Mayor & Council with staff support reviewed FY12-13 budget projections with other elected & appointed officials
When: From Feb 8th through March 28th
Five (5) Mayor/Council Workshops
What: Expenditures, Revenues, Pension, Debt Service, Benefits, Board of Education, Public Library
- III. **Payoff:** More informed Council and Citizens; Proactive & cooperative budget process

The Challenge We Faced:

FY 12-13 Budget

(\$ in thousands)

• Revenue Drivers:	<u>Dollars</u>	<u>Mills</u>
– General Property Tax Reduction	35,428	10.36
– Other Sources of Revenue Reduction	<u>-336</u>	<u>-0.10</u>
Total Revenue Reduction	35,092	10.26
• Expenditure Drivers:		
– Pension and Insurance Increase	10,584	3.09
– Departmental Payroll Increase	5,889	1.72
– Other Expenditures Increase	<u>4,677</u>	<u>1.37</u>
Total Expenditure Increases	21,150	6.18
• Estimated Budget Gap	56,242	16.44

This is a “DO NOTHING” Scenario

How did we balance the Budget?

Step 1: Mayor calls for flat budget for second year; all increases reviewed on a case by case basis.

Step 2: Identify all potential & aggressively achievable new sources of revenue

- Increased tax collections.
- Aggressive pursuit of State re-imbursements
- Initiate a PILOT program
- Increase grants

Step 3: Identify the major expense drivers, take reasonable action to reduce costs

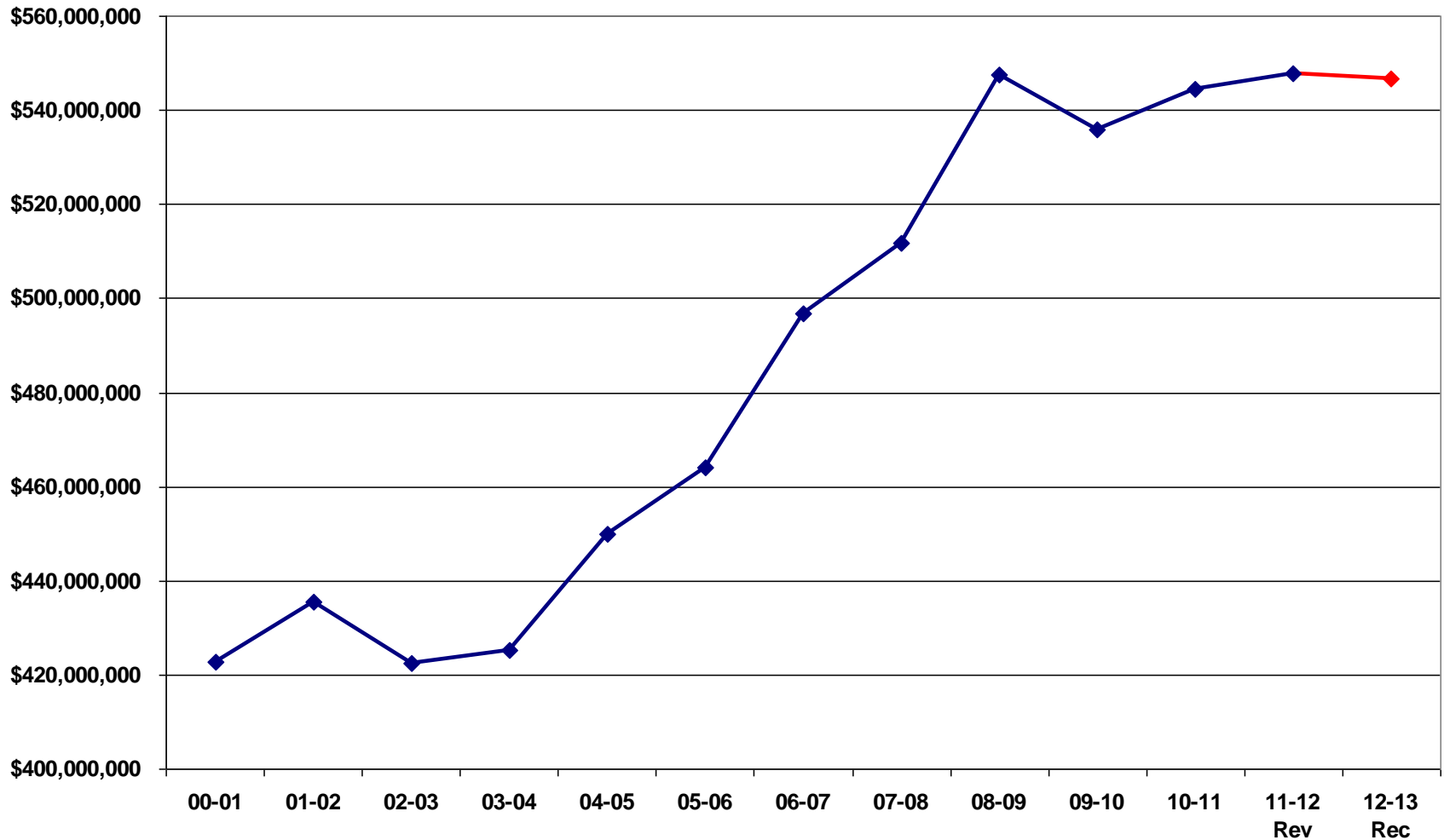
- Pension currently + 80% funded.
- Create an OPEB trust fund & reduce costs

FY12-13 Budget Highlights

- **Recommended General Fund Budget - \$546,640,339**
 - a **decrease** of 0.2% over the FY 2011-2012
- **75.30 Mill rate**
 - 3.51 Mill Increase
- ***\$13M in new revenue***
 - Voluntary PILOT, State re-imbursement, tax collections
- **Education**
 - Flat funding versus FY 11-12 Revised Budget
- **Public Safety**
 - A Police recruit class of 30 / A Fire recruit class of 20
- **Workforce Initiative**
 - Maintain Investment In Summer Youth Employment of \$1,500,000
- **Capital Improvement Program**
 - \$64,940,000 authorization

Adopted Budget History

FY 00-01 to FY 12-13 Recommended



Goal 1: *Each City office and department makes professional and fiscally responsible decisions based on data and delivers quality customer service that advances the City's well being*

Consolidation of City & School Functions:

- Continue to provide the operational, structural and maintenance cost assessment of City & School functions to improve efficiency and reduce costs

Develop & Implement Customer Service Training

Become a better land lord

- Consolidate & Improve property management functions

Continuous Financial Reporting

- Monthly and quarterly financial reports; quarterly Grants Administration reports; quarterly Quality of Life reports

Performance Measurement Reporting:

- Monthly HARTSTAT analysis of Public Safety, Development, Finance/Operations and Neighborhoods; Quarterly Capital Improvement Program reports

Goal 2: *Improve the quality of life in our neighborhoods and community by focusing on infrastructure, eradicating blight and strengthening public safety to attain a livable and sustainable City.*

- **Healthy Hartford Campaign**
 - Reduce infant by creating a holistic vision & blueprint for Mother, Children & their families
- **Solid Waste/Recycling**
 - Negotiated new cheaper contract with CRRA
 - Increased our Single-Stream recycling collection
 - Hired a trash Inspector
- **LSNI Program: Progress to Date**
 - 119 Properties Notices sent; 40 responded, 6 remediated
 - 13 Properties already cited for violations, this week 14 more
 - 6 Properties remediated by owner before citation being issued
 - 37 Private/241 Public Property Clean-ups by Neighborhood Initiative Crew
- **Improve Quality of Life/ Crime Prevention Programs Initiative:**
 - Maintain service levels; 25 new Police Officers and 20 new Firefighters

Goal 3: *Align community-wide educational resources by integrating higher education, senior services, library, recreation, and early childhood operations.*

- **Family Civics Initiative & Family Development Training Program (FDC)**
 - Within 3 years all Department staff will be trained in FDC.
 - In partnership with DSS & the Children's Trust Fund , FDC will be the family support professional development model for Hartford
- **Youth Division (Ages 9 to 24)**

All staff will be integrated across four primary strategic areas

 - 1) learning and enrichment
 - 2) work force development
 - 3) risk reduction and
 - 4) training and technical assistance
- Youth ALIVE! mentoring the Juvenile Review Board diversion approach & the Peacebuilders crisis intervention programs
- Publishing Summer Recreation Guidebook
- Opening the New American Center, the Center for Contemporary Culture & \$300,000 increase

Goal 4: *A livable, sustainable and vibrant City with programs and partnerships that harness existing assets, support the business environment and maximize job retention and growth.*

Opportunities Hartford

- Fall issuance of the Mayor's Task Force Report addressing the intersection of income, education and jobs
- Better coordination of job opportunities & training, social programs & services in light of decreasing funding

Full-Time Development Services Director on board

Marketing, Events & Cultural Affairs Director on board

Using City's purchasing power to improve local economy

- Local vendor utilization increase from 27% to 35%
- Use of local Vendor Preference ordinance: Keney Park Renovations

FY12-13 budget calls for a Minority Contractor Bond Guarantee Fund

Entrepreneurial Ecosystem/ Hartford Hub

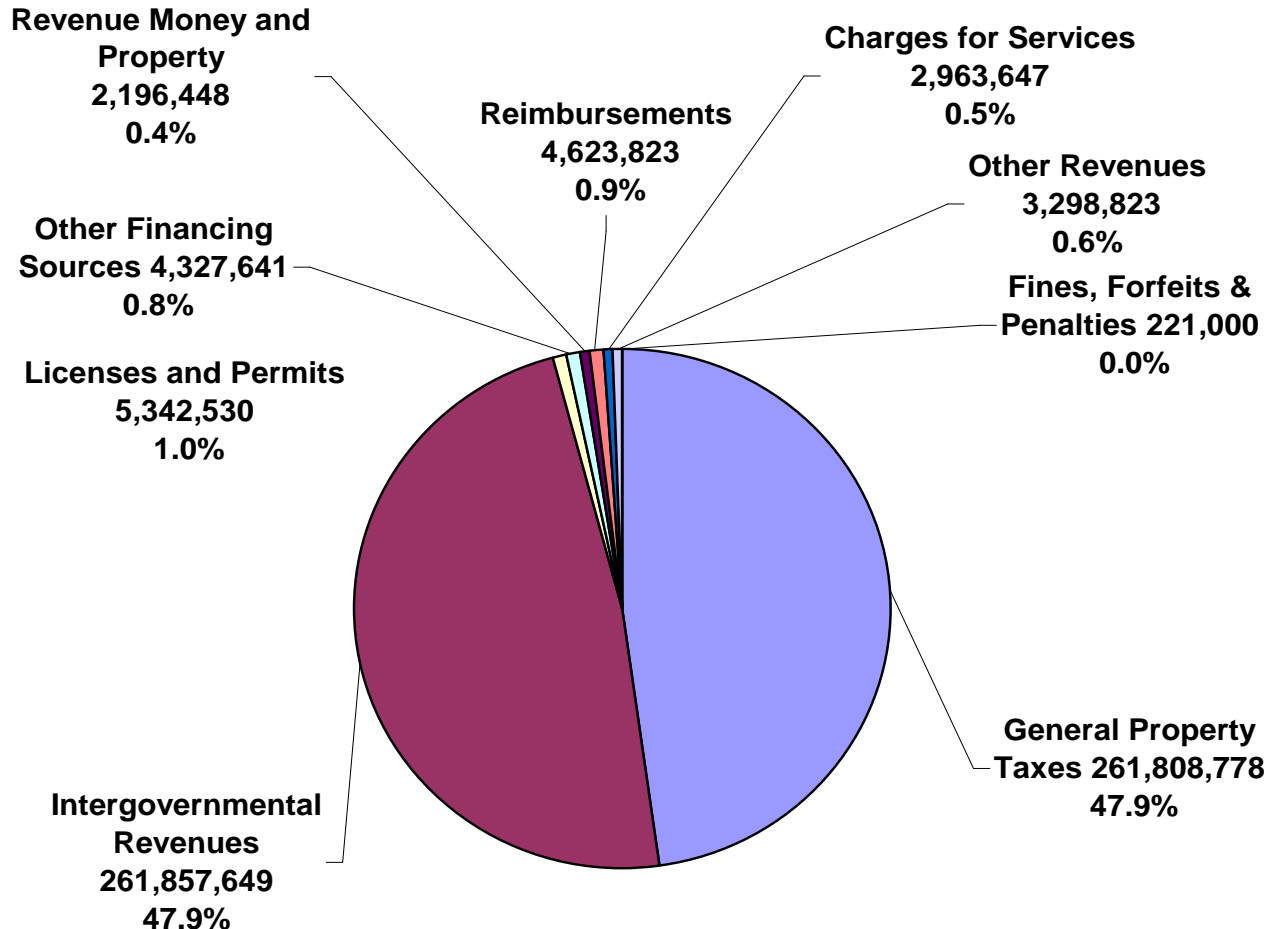
iQuilt: Envisionfest

A Public Safety Academy

Revenue:

Where Does The Money Come From?

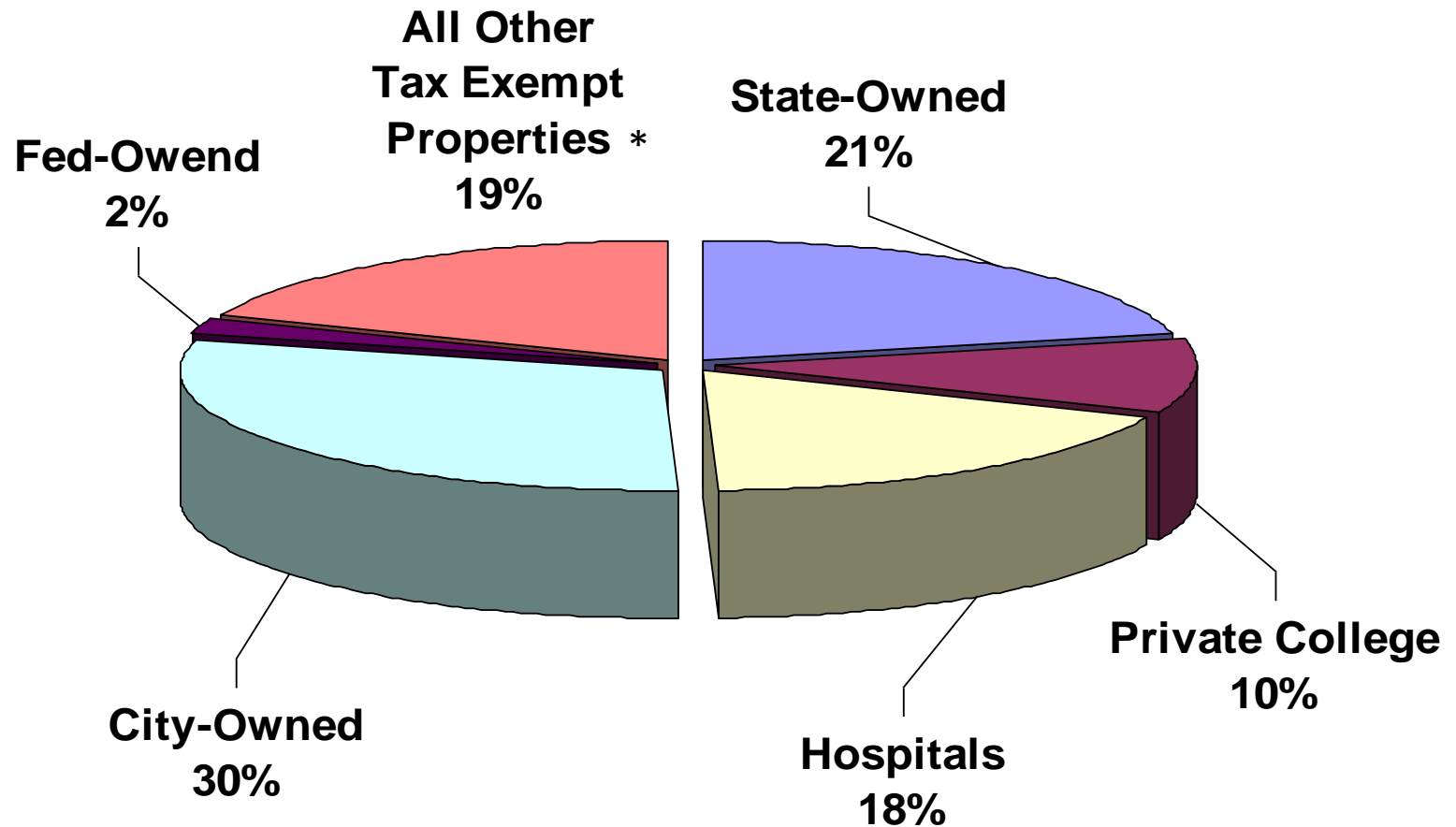
General Fund Budget - \$546,640,339





FY 2010 Non-Taxable Property

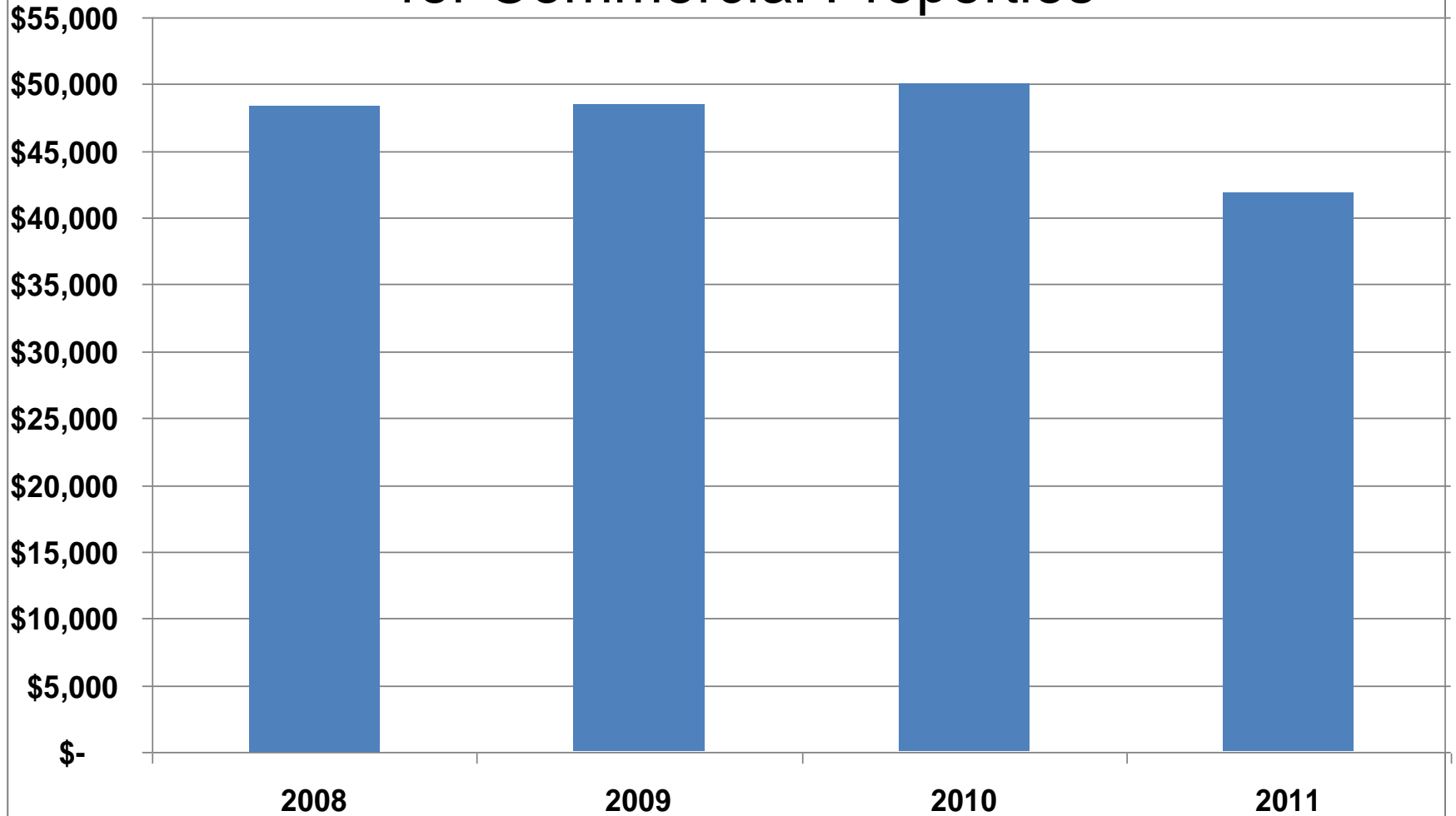
(Total = \$3,644,266,317)



* All Other Tax Exempt Properties Includes Churches, Non-Profits, Health Organizations, Cemeteries, Housing Authority and Charitable Organizations.

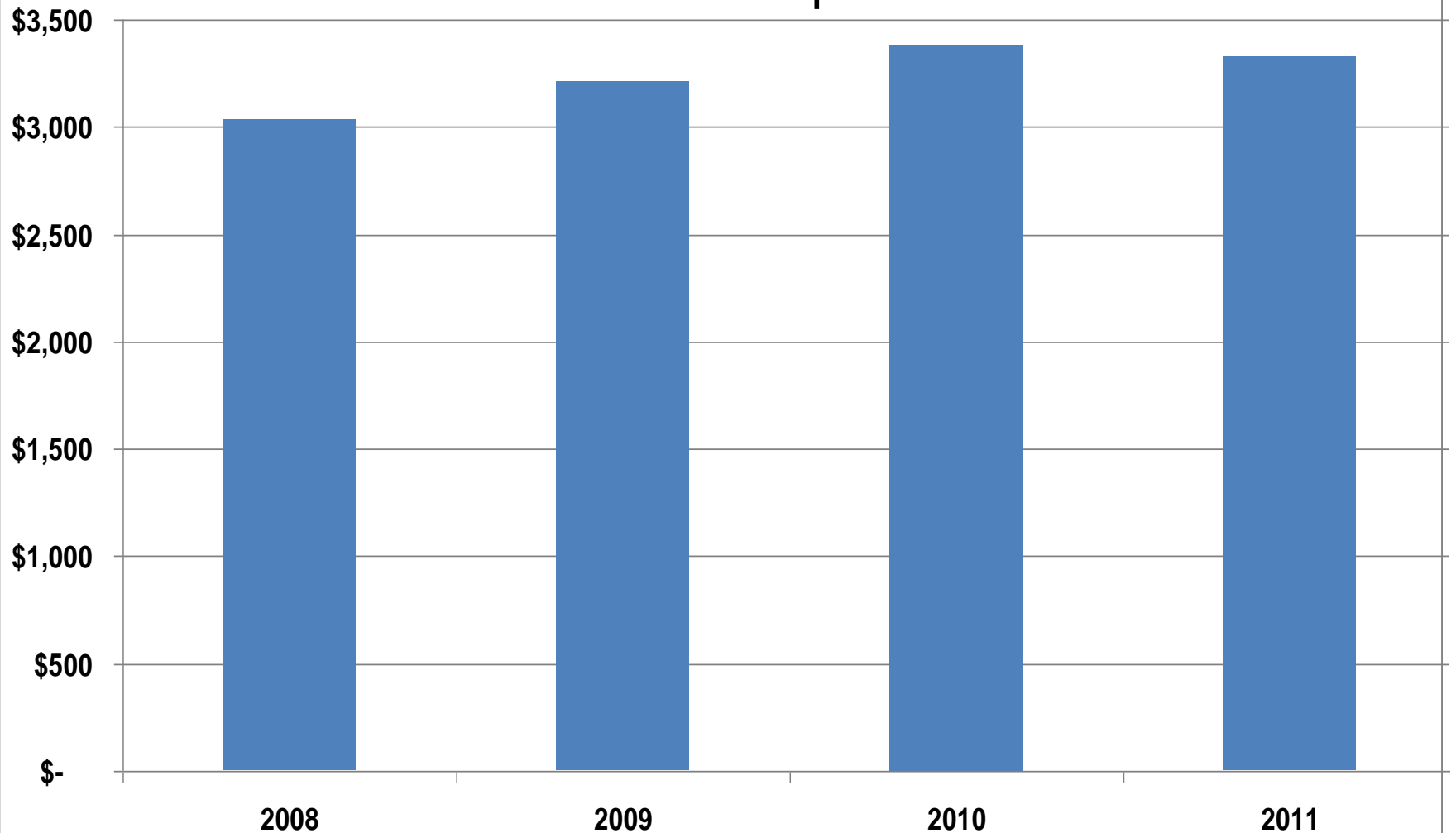
City of Hartford

Average Annual Property Tax Levy for Commercial Properties

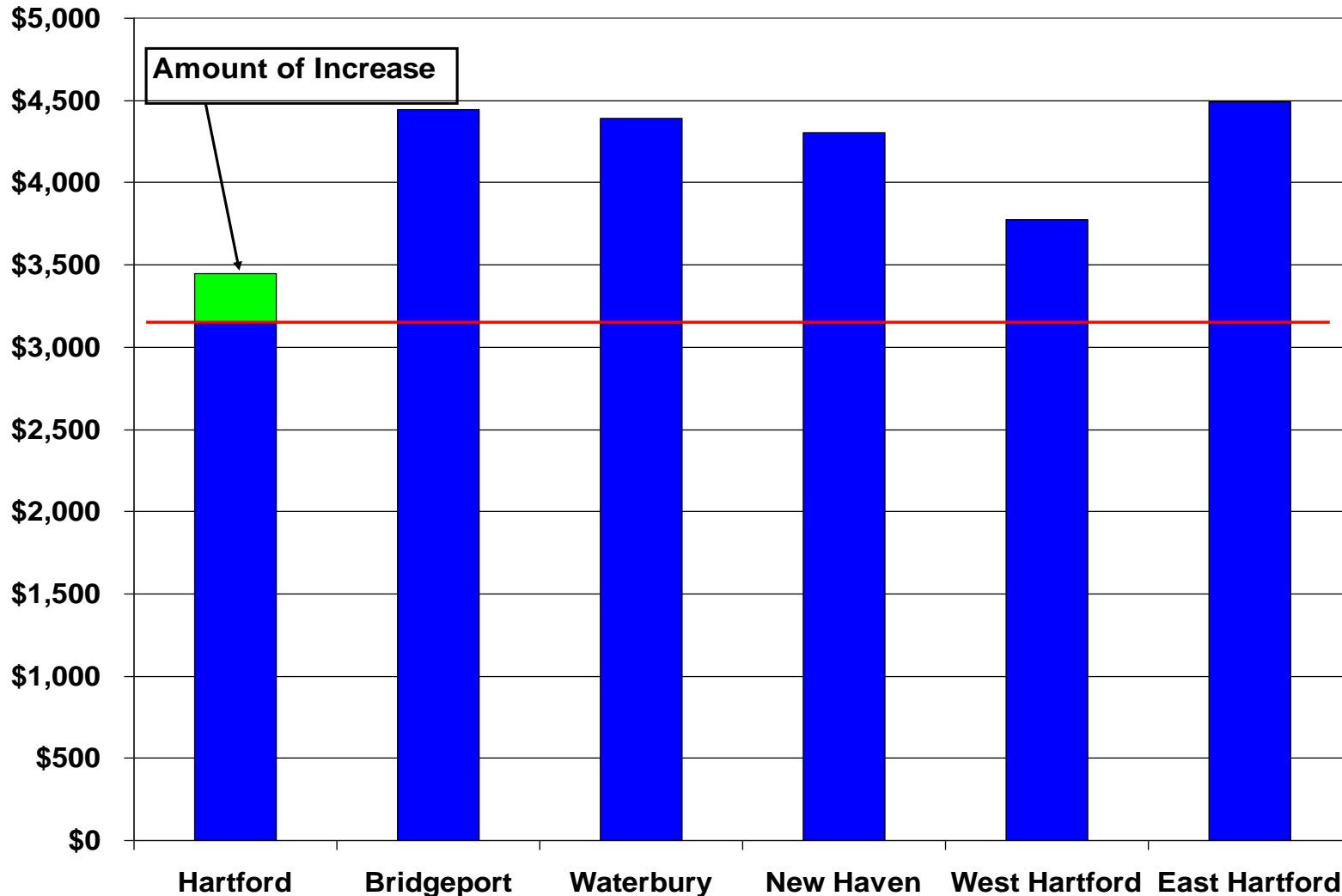


City of Hartford

Average Annual Property Tax Levy for Residential Properties



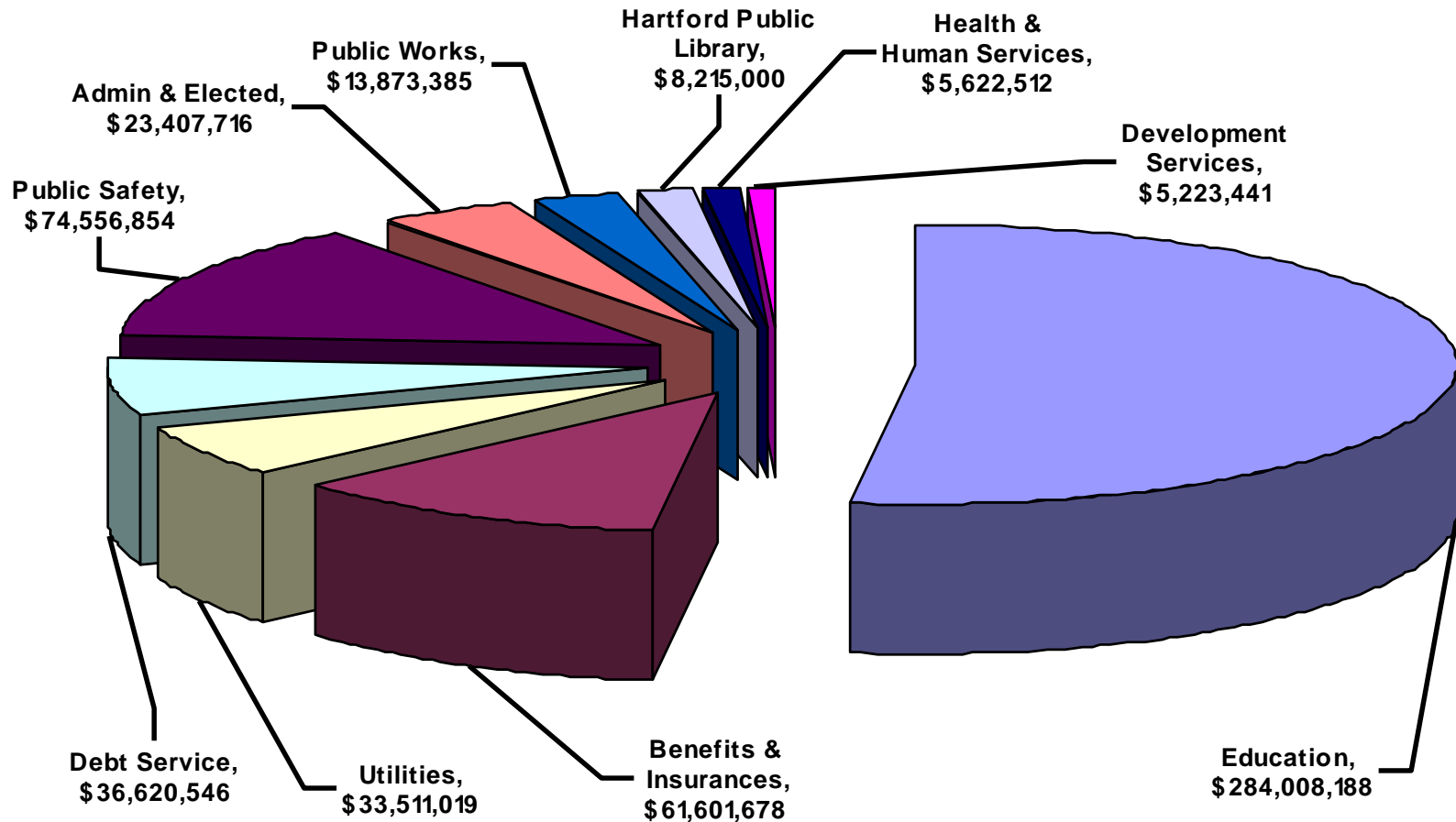
2011 Annual Property Tax Levy On A \$150,000 Single Family Home By Selected Municipalities



Expenses: Where Does The Money Go?

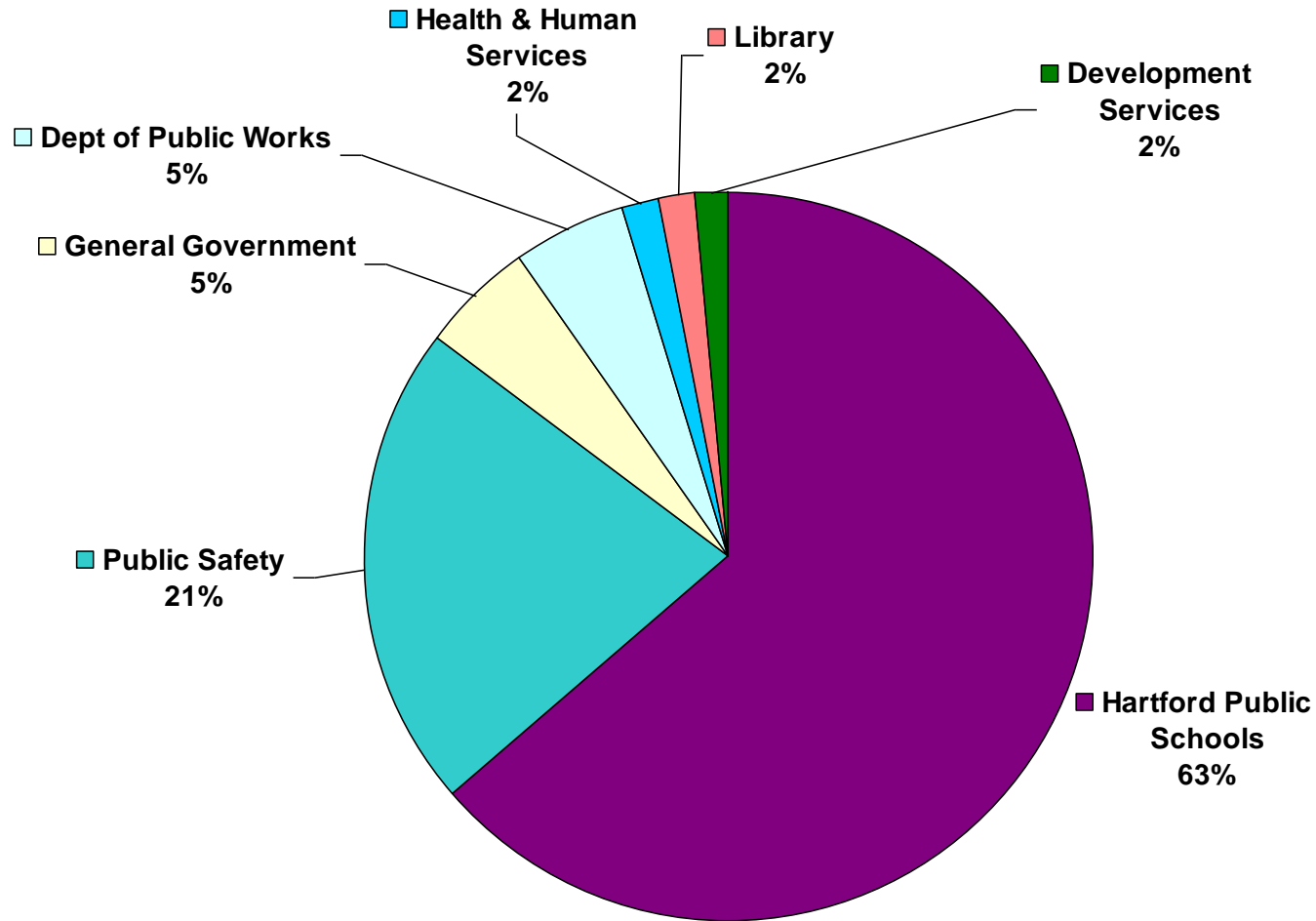
General Fund Budget - \$546,640,339

EXPENSE



Staffing By Department FY 11-12

Combined General Fund & Grants



Staffing By Department FY 11-12

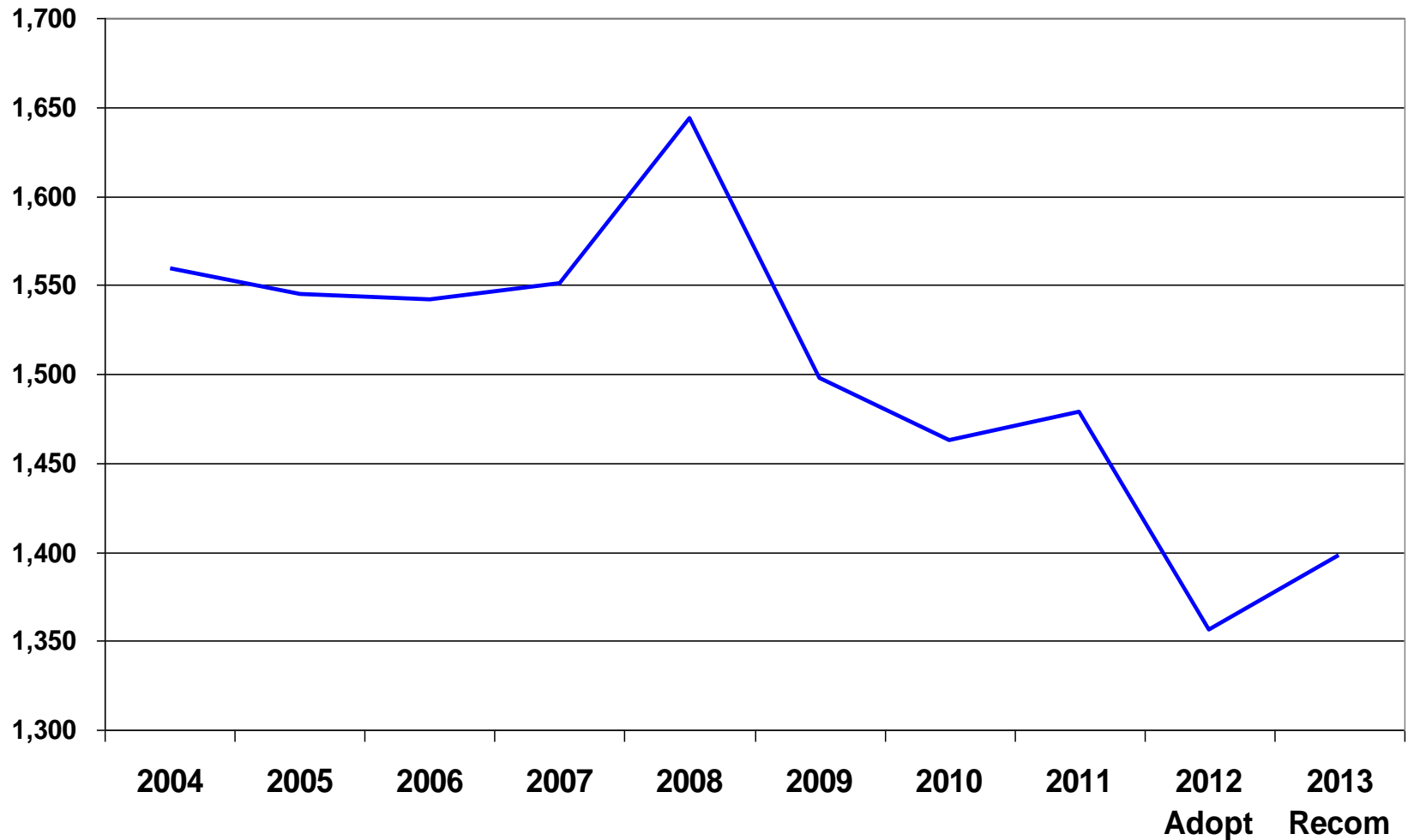
General Fund & Grants

	Gen Fund	Grant	Total	%
Hartford Public Schools	2,227	790	3,017	64%
Public Safety	1,002	25	1,027	22%
General Government	204	35	239	5%
Dept of Public Works	224	2	226	5%
Health & Human Services	42	38	80	2%
Library	73	4	77	2%
Development Services	56	15	71	2%
Total	3,828	909	4,737	100%



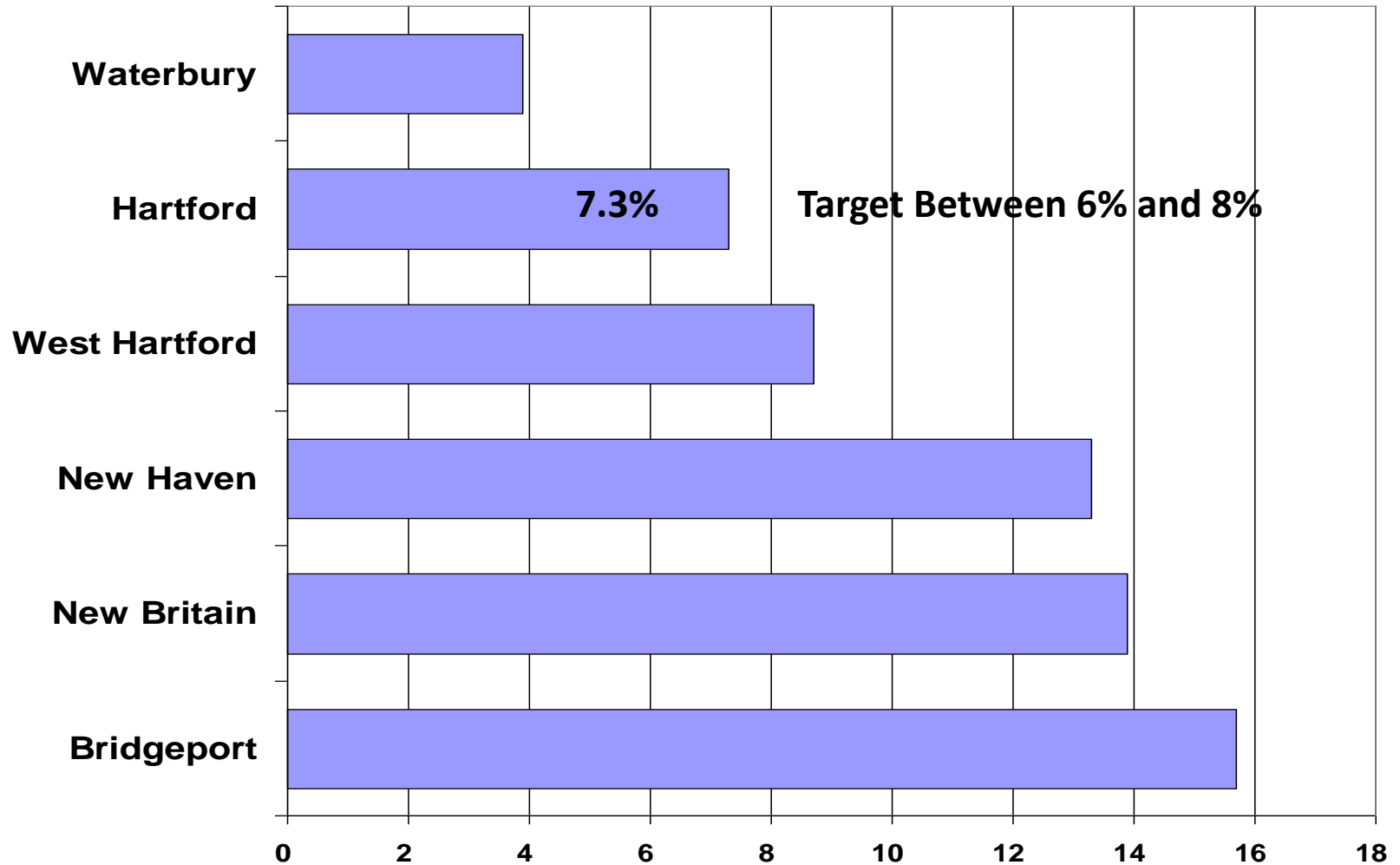
Staffing Trend

All City Departments



Debt Service As % of Total Expenditures

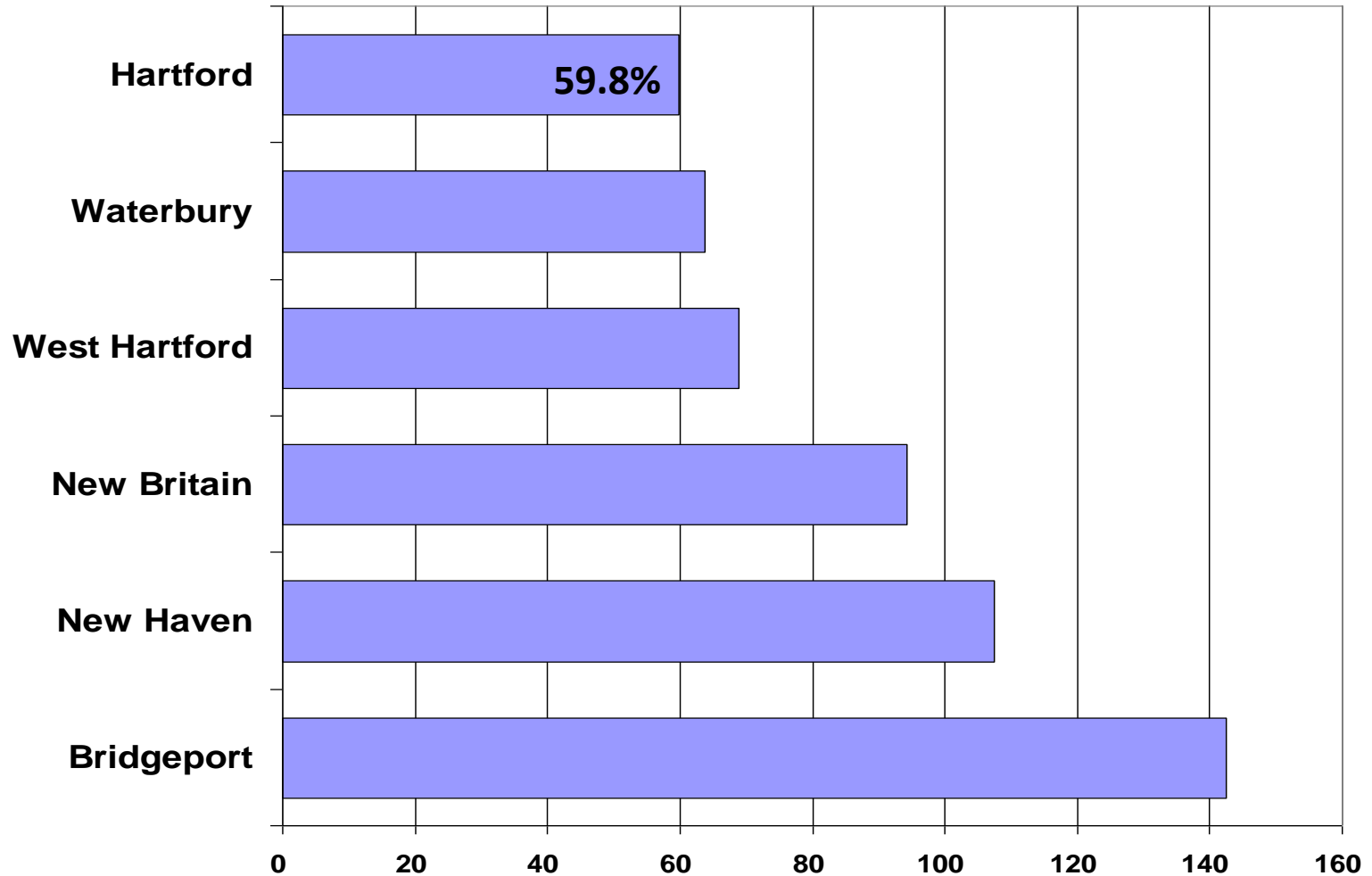
Total Interest and Principal Divided By Total City Expenses



Source: Connecticut Council of Municipalities

Debt As % of Total Expenditures

Total Debt Expense Divided By Total City Expenses



Source: Connecticut Council of Municipalities

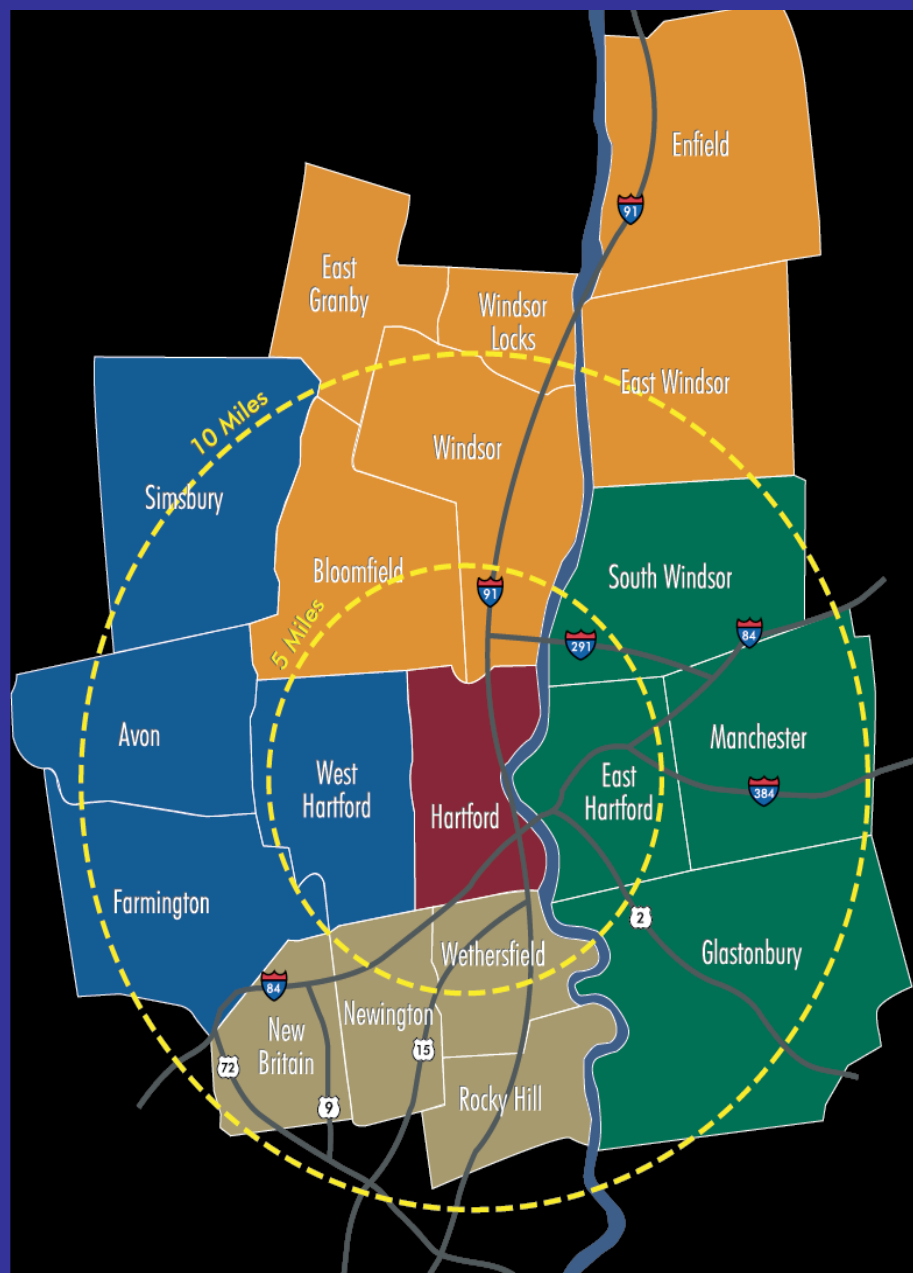
% Net Grand List Assessment By Category

Percent of Total Assessed Property By Category

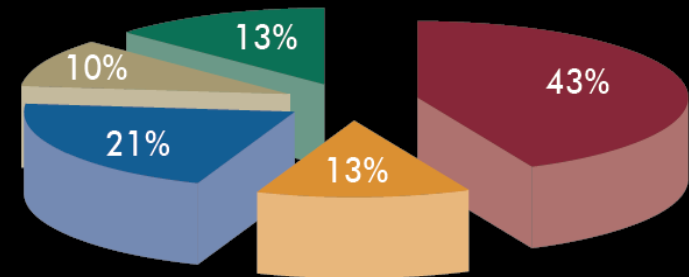
MUNICIPALITY	RES	COMM	OTH
Bridgeport	56.1	25.9	18.0
Hartford	22.2	51.0	26.8
New Britain	61.8	22.4	15.8
New Haven	52.2	34.9	12.9
Waterbury	55.6	28.2	16.2
West Hartford	75.6	14.6	9.8

Source: State of Connecticut, Office of Policy & Management, Municipal Indicators FY 2010

Other: Contains Apartments, Personal Property and Motor Vehicles

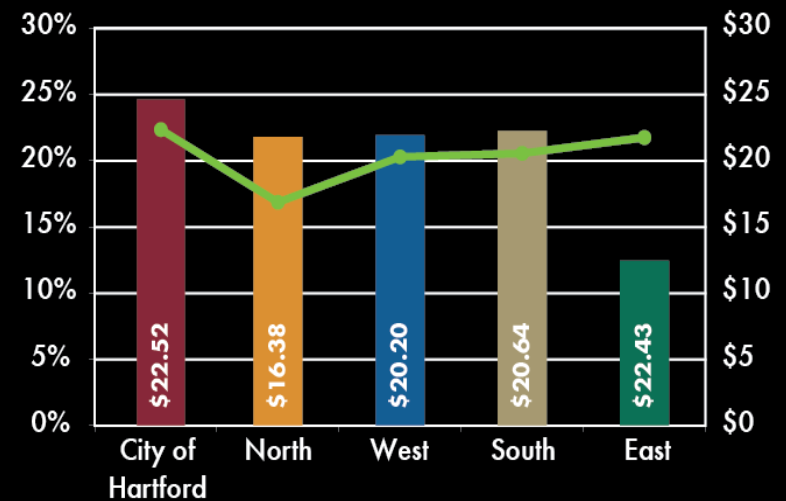


Class A Inventory - 15.5M SF



City of Hartford	18 bldgs, 6.66M SF
North Submarket	27 bldgs, 2.97M SF
West Submarket	56 bldgs, 3.25M SF
South Submarket	17 bldgs, 1.56M SF
East Submarket	26 bldgs, 2.03M SF

Class A Vacancy & Asking Rental Rates

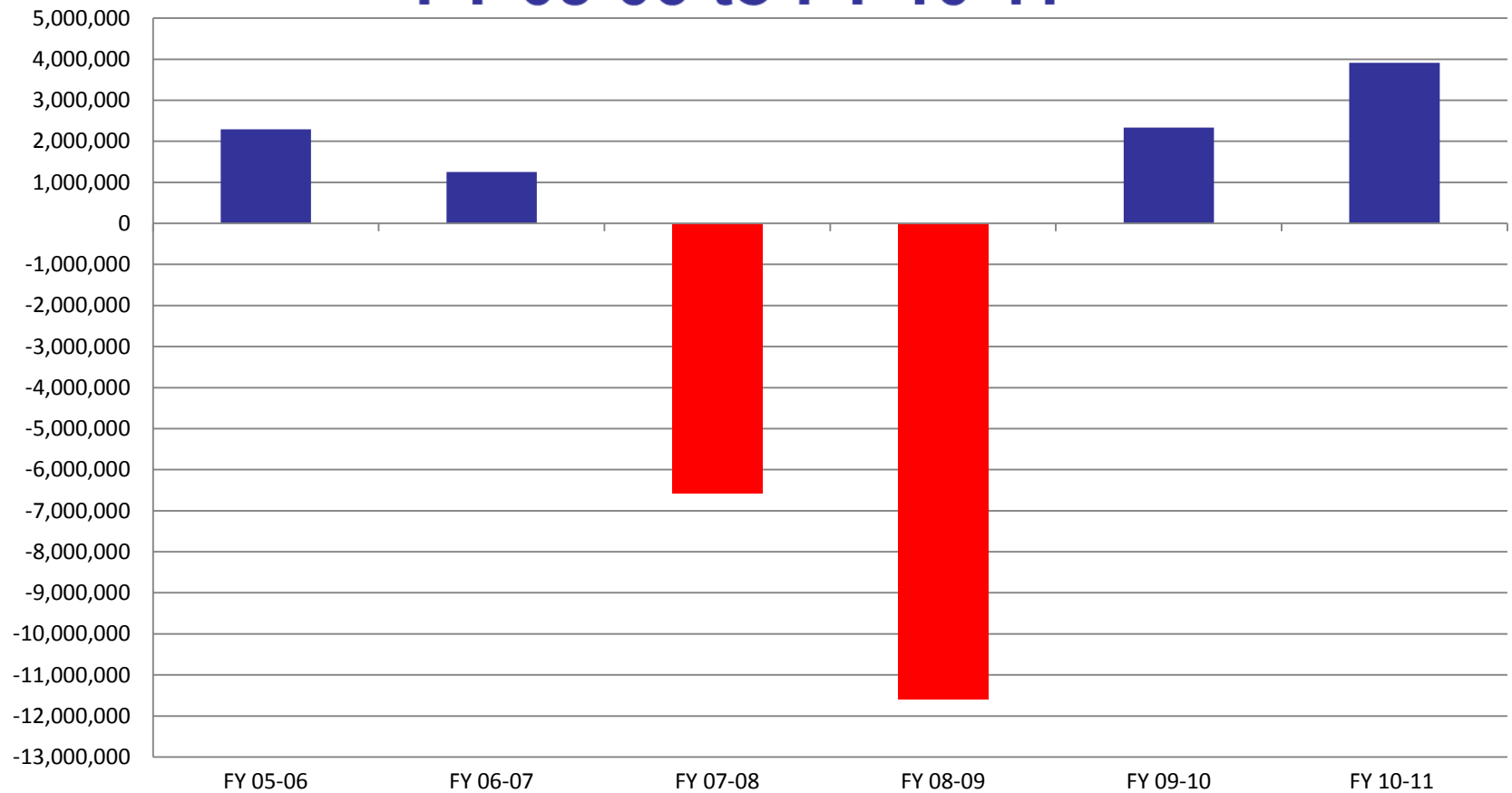


Property Taxes: Reducing the Cost of Business

- Impact of Revaluation & Property Tax Reform (P.A. 11-212)
- Examples:
 - Class A Downtown Office Mid-Rise
 - 10% reduction in operating cost from 25% to 15%
 - 5,200 sf Restaurant sees a 5% drop
 - 22,000 sf Restaurant sees a 16% drop
 - 25,000 sf Industrial building sees a 12% drop
 - 15,000 sf Retail sees 10% drop

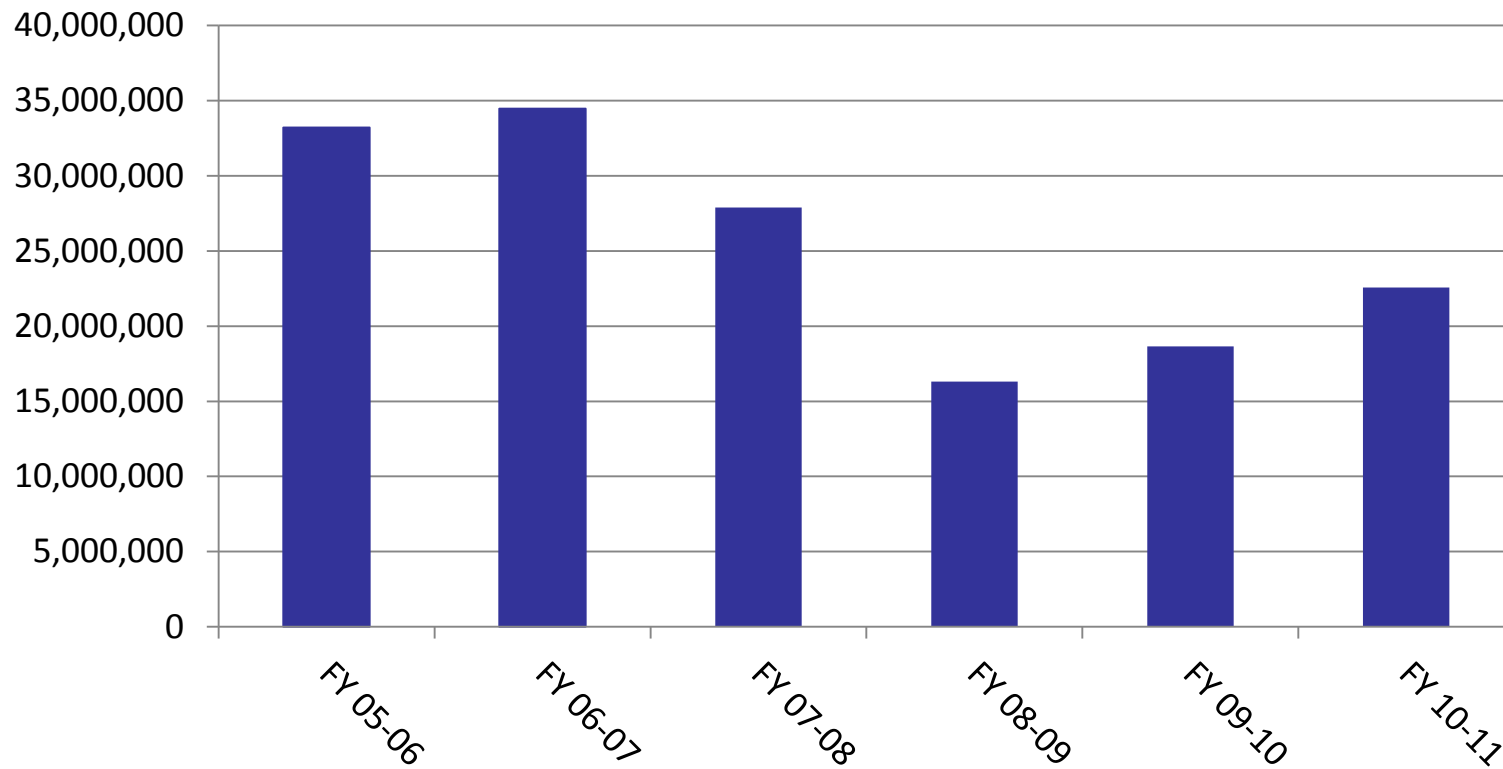
General Fund Balance Annual Change

FY 05-06 to FY 10-11



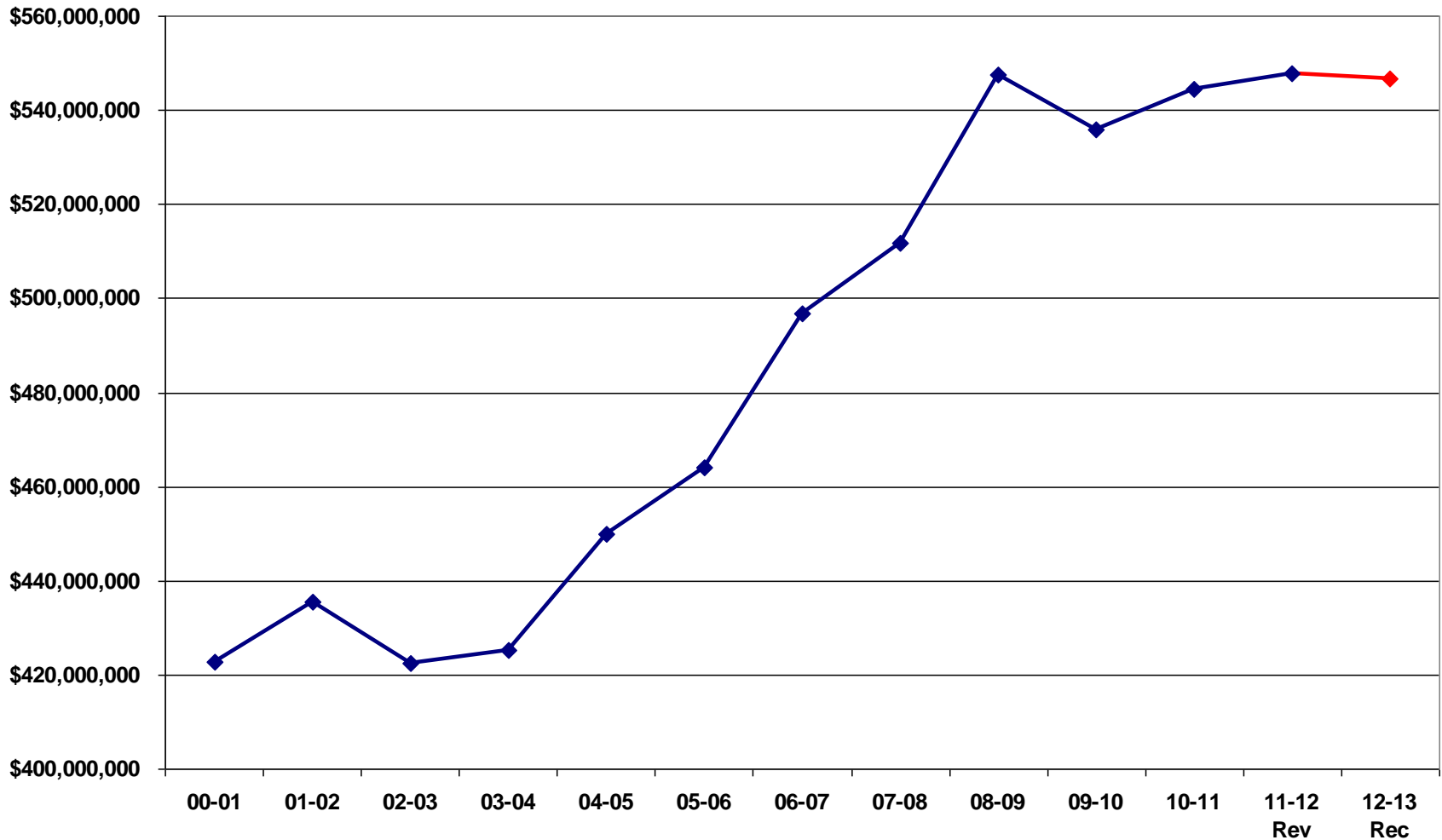
Undesignated General Fund Balance

FY 05-06 to FY 10-11



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